

November 20, 2008

Lauren Lien
Chris Jones
Reports Analysis Division
Federal Election Commission
999 E. Street, NW
Washington, DC 20463

Re: Hillary Clinton for President; FEC ID No. C00431569, September Monthly Report (8/1/08-8/30/08)

Dear Ms. Lien and Mr. Jones,

This is in response to your letter requesting additional information pertaining to the above-listed report of Hillary Clinton for President (the Committee). Where necessary Amendments will be filed to correct or clarify or make any needed changes.

For several of the contributions noted by you, the Committee timely refunded or reattributed the excessive portion of the contribution, i.e., within sixty days, and it is so reported on the Committee's November or December Monthly Reports on Line 28a or as a memo entry on 17a.

In some cases, the Committee found data entry errors as a part of its review, cure and notification process and made the needed corrections. Please note that the Committee continues to work on review and improving our data entry.

A few contributions noted by you will be disclosed as refunded on the Committee's Year End Report. Although the Committee is diligent with regards to our review and of tracking excessive contributions these few contributions were inadvertently overlooked. During the Committee's ongoing effort to correctly and accurately aggregate the contributions made by an individual, occasional data entry errors occur upon discovery, the Committee takes immediate action to correct its records and makes every effort to correct the public record.

In the cases of K. Hayes, S. Lee, D. O'Connor the Commission has confused different contributors with the same name.

Please note that the Committee has always intended to fully comply with the sixty day reattribution and redesignation provision. Strict procedures are used by the Committee to ensure that all contributions are handled in a manner in full compliance with this and all other applicable provisions.

You have requested information regarding the Offset from WHM, LLC. The refund from WHM, LLC was for a payment the Committee made 6/30/2008 for \$1,958.10 to the Condado Plaza Hotel which is a part of the WHM Hotel Group.

With regards to the refund list provided by the Commission, the Committee has reviewed the data and will make the necessary corrections. In most of the cases there is small data error such as the spelling of the donor record, the spelling of the refund record or the designation. The Committee is in the process of filing amendments to clarify.

With respect to the Line 24 transfers from the Committee to Friends of Hillary, these transfers were composed entirely of general election contributions to the Committee that were permissibly redesignated by the contributors to Friends of Hillary. The Committee received designations for each of the contributions sent to Friends of Hillary.

Due to an inadvertent data entry error in the coding of contributions, the originally filed report erroneously indicated

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that the transfer was P2008, referring to the primary election. This was an inadvertent error and was intended to read in all instances in the case of a transfer from the Committee to Friends of Hillary as G2008, referring to contributions received for the 2008 general election. The Committee is in the process of filing an amendment to correct this mistake.

With respect to the redesignations of the general election contributions, the Committee received those redesignations within sixty (60) days of the date that Senator Clinton withdrew from the race. However, contrary to the Commission's letter, the sixty day date was not August 6th, but, rather was August 28, 2008. While the Commission does not provide any information as to how it selected the date of August 6th, that date is demonstrably wrong. The Committee presumes that the Commission has calculated the date as sixty days from the date that Senate Clinton gave her remarks suspending her campaign. However, that date is incorrect, as she did not actually withdraw from the race until June 29, 2008. The following information demonstrates that her withdrawal did not occur until later:

Nothing in Senator Clinton's remarks indicated that she was withdrawing from the race. While she indicated that she was suspending her campaign, the term suspension has no legal meaning. The Committee was informed by the Democratic National Committee that, under party rules, if a candidate suspends her or his campaign, she or he technically remains a candidate.

The Committee continued to actively contest for delegates at the state and local delegate selection events during the month of June. The Committee engaged in vigorous activity through paid staff to make sure that her delegates were selected and seated at each of these events. These occurred throughout the month and concluded on June 29. These additional delegates resulted in an increase in the number of delegates pledged to the Senator who were seated at the national convention.

These delegate contests included local and/or state caucuses and conventions in New York (June 5), Montana (June 5, 8), Minnesota (June 6, 7), Texas (June 6, 7), Kentucky (June 7), Oregon (June 7, 21) Vermont (June 7), Virginia (June 7), Nebraska (June 10), West Virginia (June 13-14), Idaho (June 14), Iowa (June 14), Washington (June 15), Rhode Island (June 19), Indiana (June 21), North Carolina (June 21), Puerto Rico (June 21), Nebraska (June 28), and South Dakota (June 28). These were actual delegate selection events which resulted in the selection of delegates pledged to Senator Clinton. Senator Clinton did not release her delegates until the Democratic National Convention in August.

This activity also included providing lists of campaign-approved delegate candidates by proscribed deadlines in Pennsylvania (June 5), Texas (June 5-7), Minnesota (June 6-8), Wisconsin (June 6), Kentucky (June 7), Montana (June 7-8), Pennsylvania (June 7), Vermont (June 7), Virginia (June 7), , Washington (June 10-12, 15), Idaho (June 12-14), Indiana (June 12, 21), Iowa (June 12-14), North Carolina (June 13), Puerto Rico (June 13, 18), West Virginia (June 14), South Dakota (June 16, 25, 28), Rhode Island (June 19), Oregon (June 21), and Nebraska (June 28-29). This activity resulted in the selection of delegates approved by and pledged to Senator Clinton. Senator Clinton did not release her delegates until the Democratic National Convention in August.

In furtherance of the political and delegate activities in which the Committee actively participated, the Committee also continued to make expenditures during June on these activities. The Committee spent a total of \$263,434 on activities aimed at garnering additional delegates during the month of June. These expenditures included salaries for staff working exclusively on political and delegate-related matters, travel for those individuals to the various states and events listed above, and event costs related to the delegate selection events, such as booth rentals, banner ads, convention booklet ads, on-site equipment and supplies, and GOTV expenses related to the events such as literature and telephone costs.

When the Committee concluded its activities in June aimed at garnering additional delegates, a unity event was scheduled between Senator Clinton and President-elect Obama. That event occurred on June 29, 2008. In connection with that event, the Committee posted a notice on the Committee's website indicating that Senator Clinton was no longer

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actively campaigning for office and a note from Senator Clinton that the campaign was over. At that date, there were no additional delegate-related events and no further participation in accruing delegates, hence, the Committee ceased its active campaign activity.

Accordingly, Senator Clinton did not withdraw from the race until June 29, 2008. Prior to that date, the month of June was an active month with substantial political activity, as shown above. In accordance with the Commission's letter and applicable rules, the Committee had sixty days from the date of withdrawal or August 28, 2008 to effectuate redesignations of the 2008 general election contributions. The Line 24 transfers were composed of general contributions that were permissibly redesignated.

You have also noted that, in some cases, the purposes for the Committee's debts to individuals for travel reimbursements on Schedule D is different from the purposes made for payments to those same individuals on Schedule B. There are two explanations for this. First, the expenditures actually made on Schedule B are, in fact, for different purposes, i.e., different obligations, than the amounts unpaid and owed on Schedule D. However, because it is the same individual who was paid and to whom the debt is owed, the payment is disclosed on Schedule D as a payment this period, even if it was for other purposes. In other words, the Committee may owe a staff member travel reimbursements, which are unpaid and a debt, while at the same time, paying that same person a salary, which is not part of the debt.

Therefore, the purpose of the debt is different than the purpose of the expenditure. The Committee's reporting software automatically aggregates these payments for the this period field on Schedule D. However, the Committee is of the understanding that the Commission is requesting that only payments made to reduce the debt portion be included as payments this period and that other payments to the same creditor be excluded. (RAD referred the Committee to the instructions for Schedule D-P, even though the instructions do not indicate that only payments made to reduce debts be included in the this period field.) Although the Committee believes that this is a change from past Commission requirements, it will seek to have its reporting software changed, so that the information may be separated. However, the Committee is not yet aware whether this change to the reporting software may be able to be effectuated.

The second reason that some of the purposes on Schedule D are different than the expenditure purposes on Schedule B is because the Committee more fully itemizes the purposes for multiple invoices on Schedule B. Whereas the purpose on Schedule D may indicate travel, the full itemization of the multiple expenditures on Schedule B may indicate travel, per diem, meal expense, and office supplies. This is due to the reporting software that the Committee uses for the debt purposes, which does not easily permit disclosure of multiple purposes on the Schedule D. The Committee will seek a correction to its reporting software and will endeavor to amend to clarify additional purposes on the Schedule D. The Committee will file Amendments in the few cases where it is needed to adjust a debt purpose.

With respect to the final item noted by you, when reimbursements to staff for travel have exceeded \$500, the Committee has, in fact, itemized on its Schedule B the related payments from staff to vendors when such payments have exceeded \$200 for the election cycle.

I hope this information is sufficient for your review. However, should you desire any additional information, please contact our Counsel, Eric Kleinfeld, at 202-293-1177.

Sincerely,

Shelly Moskwa
Treasurer, Hillary Clinton for President

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